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17 January 1967

MEMORANDUM FOR: Director of Research and Reports

THROUGH : Chief, Economic Research Area

SUBJECT : Exchange of Information on the Soviet
Economy with [REDACTED]

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1. Problem: To review and recommend guidelines for the exchange
of information on the Soviet economy between ORR and [REDACTED]

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2. Information Bearing on Problem: On 6 January, a 3-hour
meeting of ORR and [REDACTED] was held [REDACTED] for the purpose of
discussing the proposed [REDACTED] research on Soviet input-output tables,
the relation of this research to ORR research on the Soviet economy,
and the exchange of information between ORR [REDACTED] Attending the
meeting were:

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[REDACTED]

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3. [REDACTED] is a recipient of the ORR unclassified
publications. [REDACTED]

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He

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has been working under [REDACTED] sponsorship on Soviet input-output tables.
Using the incomplete data published for the 1959 Soviet input-output

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table, [REDACTED] has successively reconstructed complete versions of the 1959 table at the 6-industry, the 38-industry, and the 66-industry level. The full unpublished Soviet version lists the sales of each of 83 industries to every other industry and the purchases of each industry from every other industry.

4. Unclassified studies [REDACTED] contain the general results of this research. Classified studies are proposed to analyze the military production component of Soviet industrial output for the benefit of the Department of the Army, [REDACTED] Incidentally, [REDACTED] at the meeting re-emphasized that an important consideration in classification is the danger of [REDACTED]

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5. [REDACTED] had invited the ORR people to the meeting to participate in a discussion of [REDACTED] research objectives. [REDACTED] had outlined a series of research tasks and much of the meeting was devoted to an assessment of the feasibility of these tasks. [REDACTED] wish to have access to ORR research on the Soviet economy, particularly the research on GNP, factor productivity, industrial (including military) production, industrial prices, and foreign trade. From ORR's point of view, the results of [REDACTED] research almost certainly will advance our own research. Moreover, his working in the field as a high-powered specialist means that ORR will not have to devote nearly so much effort to input-output work on the Soviet economy.

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6. [REDACTED] met subsequently with [REDACTED] on 11 January, and a copy of [REDACTED] report to me is attached. [REDACTED] further informs me that on 13 January, he had a phone call from [REDACTED] agreed to lend us the unclassified punchcards and tapes on [REDACTED] 38 x 38 input-output table.

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7. Administrative Angle: [REDACTED] Chief St/A, has advised me that it would be simpler to transfer classified material to [REDACTED] than to secure the clearance of premises and people necessary to transfer it directly.

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8. Recommendation for Action: In view of the mutual benefit to
ORR [REDACTED] I recommend that you:

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a. Approve in principle an expanded exchange of information
[REDACTED] on the Soviet economy, up to the level of SECRET.

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b. Designate [REDACTED] Chief D/C, as the
principal point of contact of ORR with [REDACTED] for
administrative purposes. [REDACTED] ORR, would continue
to play an important consulting role.)

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c. Designate [REDACTED] Chief C/U, as point of
contact for substantive purposes, with [REDACTED] Acting Chief C/SI,
as alternate.

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[REDACTED]
Chief, Communist Division, ORR

Attachment as noted

Distribution:

Orig & 1 - Addressee w/att (Orig ret'd to Ch/D/C)

1 - Ch/ERA w/att

1 - MRA (Attn: [REDACTED] w/att

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1 - Ch/D/C w/att

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ORR/D/C:AGA:bas/5913 (17 January 1967)

I approve the above Recommendation.

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[REDACTED]
WILLIAM N. MORELL, JR.
Director
Research and Reports

27 JAN 1967
(Date)

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